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Stockholm, Sweden, August 31, 2005

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Enclosed please find the following press release from Atlas Copco AB,
marked with the above stated number.

- Atlas Copco to increase manufacturing capacity in India

Atlas Copco AB
Group Communications

Ylva Thornander Johansson

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Atlas Copco to increase manufacturing capacity in India

Stockholm, Sweden, August 31, 2005: Atlas Copco is to expand its manufacturing facilities in Nasik and Pune, India. The investment, made to meet an increasing demand, has a value of MSEK 44 (MEUR 4.7). The project is expected to be completed during the second quarter of 2007.

Atlas Copco is concentrating its production of construction and mining equipment to one site in Nasik, where it is investing in new assembly units for surface drilling rigs and in a modernization of the hand-held construction tools facility. In Pune, investments are for the modernization of the compressor production facility, which will increase capacity. The project is an important step in the strategy to meet an anticipated increase in demand. Revenues for Atlas Copco (India) Ltd., for the 12 months to June 30, 2005, were BNR 5.03 (approximately MSEK 890) and have almost doubled in the last two years.

Phillip Davidson, Managing Director of Atlas Copco (India) Ltd, comments on the investment: *"The steps we are taking to increase the capacity for construction and mining equipment are required both to meet an increase in demand and to enable a full integration of the units we acquired during 2004. At the same time, we will also capture additional synergies, by rationalizing our production of hand-held tools to one site in Nasik."* During 2004, Atlas Copco acquired operations in India from Ingersoll-Rand, which today are part of the Atlas Copco Drilling Solutions division.

The Indian compressor operation has grown significantly over the last two years. *"We foresee a period of sustained industrial growth and are adjusting our capacity to meet demand. By concentrating all compressor operations to Pune we will both improve our logistics process and the production flow."*

The new facilities in Pune will become operational from mid 2006. The Nasik plant is scheduled to be fully operational during the second quarter of 2007.

Atlas Copco is an international industrial Group with its head office in Stockholm, Sweden. In 2004, the Group had revenues of approximately BSEK 49, with 98% of revenues outside Sweden. The Group has more than 25 000 employees. The Group produces and markets compressed air equipment and generators, construction and mining equipment, industrial tools, and assembly systems and offers related service and equipment rental. The Atlas Copco Group includes famous brands such as Atlas Copco, RSC Equipment Rental, and CP. More information can be found on atlas-copco.com.